

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 06040 071034Z

51

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 L-02 H-02 PA-01 PRS-01 IO-10 /106 W

----- 049578

R 070826Z MAY 75

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9960

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

US MISSION EC BRUSSELS

US MISSION OECD PARIS

LIMITED OFFICIAL USE TOKYO 6040

PASS TREASURY FOR BENNETT

E.O. 11652: N/A

TAGS: EFIN IMF GW JA

SUBJ: TALKS BETWEEN FINMIN OHIRA AND FRG FINMIN APEL

1. SUMMARY. FOLLOWING IS SUBSTANCE OF DISCUSSIONS BETWEEN
FINANCE MINISTERS OF JAPAN AND GERMANY ON MAY 6 PROVIDED TO
FINATT BY MOF OFFICIAL (GYOTEN). UNDER SEC BENNETT
ALREADY ADVISED BY VICE MIN YOSHIDA OF PORTION OF TALKS.
END SUMMARY.

2. VERY CONGENIAL AND INFORMAL TALKS CONTINUED FOR ABOUT
ONE HOUR COVERING PRIMARILY SUBJECTS TO BE NEGOTIATED BY
INTERIM COMMITTEE. BOTH SIDES CONSIDERED TALKS USEFUL BUT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 06040 071034Z

MOF OFFICIAL NOT SURE TO WHAT EXTENT IT WOULD HELP G-10

DEPUTIES REACH A CONSENSUS AT NEXT WEEK'S MEETING IN PARIS. BOTH SIDES AGREED THAT TO SOME EXTENT IT REQUIRED NARROWING OF EXISTING DIFFERENCES BETWEEN U.S. AND FRANCE.

3. IMF QUOTA INCREASE: APEL EXPLAINED DECISION REACHED IN APRIL BY EC MINISTERS AND SOUGHT GOJ SUPPORT; SAID EC HAS NOT YET DISCUSSED ITS POSITION WITH U.S. OHIRA REPLIED THAT GOJ PERFECTLY SATISFIED WITH INFORMAL AGREEMENT REACHED BY C-5 IN JAN. UNDER THAT AGREEMENT JAPAN'S SHARE WOULD BE 4-1/2 PERCENT, WHEREAS SHARE UNDER EC FORMULA WOULD BE LESS (4.47 PERCENT). OHIRA SAID HE WOULD STUDY EC PROPOSAL AND BE PREPARED TO DISCUSS IT AT PARIS MEETING. HE GAVE NO INDICATION, HOWEVER, WHETHER GOJ WOULD SUPPORT EC POSITION.

4. TRUST FUND: GERMANY IS NOT ENTHUSIASTIC ABOUT THE FUND BUT BELIEVES IT IS NOW TOO LATE TO KILL IT. APEL SAID FRG HAS MADE CLEAR IT IS IN NO POSITION TO SUPPORT FUND THROUGH FISCAL TRANSFER. IT IS WILLING TO GO ALONG WITH U.S. PROPOSAL ALLOWING IMF TO SELL PORTION OF ITS GOLD HOLDINGS AND USE PROFITS FOR THE FUND. THE MAIN PROBLEM APEL SAW FOR EC AGREEMENT WAS FACT THAT FRANCE HAD NOT YET COMMITTED ITSELF. OHIRA EXPLAINED JAPANESE VIEW THAT TRUST FUND WAS DOUBTFUL SCHEME. IF, HOWEVER, ALL OTHER COUNTRIES FAVORED IT, JAPAN WOULD RECONSIDER. THE TRUST FUND AND DECISIONS ON GOLD WERE CONSIDERED SEPARATE ISSUES BY GOJ. JAPAN, LIKE GERMANY, WAS AGAINST GOLD RESTITUTION. HOWEVER, OHIRA DID NOT COMMENT ON THE PROPOSAL FOR IMF GOLD SALE.

5. GOLD: OHIRA FAVORED THE BASIC PRINCIPLES REGARDING FUTURE RULES FOR GOLD ADVANCED BY THE U.S. AT LAST INTERIM COMMITTEE MEETING IN JAN. HOWEVER, OHIRA FELT IT WAS PREMATURE TO MAKE A DECISION AT PRESENT TIME TO TERMINATE THOSE PRINCIPLES AFTER A TWO-YEAR PERIOD. HE BELIEVED THE AGREEMENT SHOULD PROVIDE ONLY FOR A REVIEW AFTER THE TWO-YEAR PERIOD. OHIRA TOLD APEL UNDER SECRETARY BENNETT HAD RECENTLY BEEN ADVISED OF THE JAPANESE VIEWS AND SAW NO PROBLEM WITH THEM.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 06040 071034Z

6. APEL ALSO MET WITH BOJ GOV MORINHGA AND FOREIGN MIN MIYAZAWA. ACCORDING TO PRESS REPORTS MIYAZAWA AND APEL "CONCURRED THAT ADVANCED COUNTRIES LIKE WEST GERMANY AND JAPAN SHOULD NOT JUST STAND BY AS THE DEVELOPING COUNTRIES BECOME MORE AGGRESSIVE IN THEIR DEMANDS TO RAISE PRICES OF PRIMARY PRODUCTS."

7. GYOTEN ALSO GAVE FINATT RUNDOWN ON PROSPECTIVE GOJ

LEGISLATIVE TIMETABLE ON FINANCIAL SUPPORT FUND. MOF
NOW IN PROCESS OF TRANSLATING AGREEMENT INTO JAPANESE.
IT WILL THEN BE FORWARDED TO OECD FOR CONCURRENCE BY
SIGNATORIES TO AGREEMENT. GOJ CANNOT SUBMIT BILL TO
DIET UNTIL JAPANESE TEXT HAS BEEN AUTHENTICATED.
OFFICIAL WAS NOT OPTIMISTIC THAT BILL WOULD BE PASSED
BEFORE DIET RECESSED, PROBABLY IN EARLY JUNE. NEXT
CHANGE WOULD BE IN FALL WHEN DIET WOULD CONSIDER
SUPPLEMENTAL BUDGET. MOF CURRENTLY SEEKING INFORMATION
ON U.S. LEGISLATIVE TIMETABLE.
HODGSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, FINANCIAL AGREEMENTS, GOLD TRANSACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TOKYO06040
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750159-1085
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750571/aaaacnmc.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 10 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 APR 2003 by Izenbel0>; APPROVED <16 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TALKS BETWEEN FINMIN OHIRA AND FRG FINMIN APEL
TAGS: EFIN, GE, JA, IMF
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006